



**Hundredth Legislature - First Session - 2007
Committee Statement
LB 156**

Hearing Date: January 29, 2007

Committee On: Banking, Commerce and Insurance

Introducer(s): (Langemeier, 23)

Title: Change provisions relating to bank boards, investments, and premiums

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - X Advanced to General File with Amendments
 - Indefinitely Postponed
-

Vote Results:

8	Yes	Senators Pahls, Langemeier, Carlson, Christensen, Gay, Hansen, Pankonin, Pirsch
	No	
	Present, not voting	
	Absent	

Proponents:

Senator Chris Langemeier
Robert J Hallstrom
Carl Sjulín
John Munn

Representing:

Introducer
NE Bankers Association
West Gate Bank
NE Department of Banking and Finance

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 156 (Langemeier) would amend sections 8-124, 8-149, and 8-1,123 of the Nebraska Banking Act to amend provisions regarding bank boards of directors, bank premises, and giveaways. The bill would provide, section by section, as follows:

Section 1 would amend section 8-124 of the Nebraska Banking Act to delete the requirements that a state-chartered bank’s board of directors shall select from among its members a secretary and shall select a cashier.

Section 2 would amend section 8-149 of the Nebraska Banking Act to provide that investments by a state-chartered bank in bank premises necessary for the transaction of its business shall include: (a) premises that are owned and occupied; (b) real estate for future expansion; (c) parking facilities; and (d) residential property for use of officers or employees; and (e) property for the use of officers, employees, or customers.

Section 3 would amend section 8-1,123 of the Nebraska Banking Act to provide that (1) no institution shall pay any interest on a demand deposit account and any premium not related to or dependent upon the balance and the duration of the balance shall not be considered the payment of interest and (2) a premium given to a depositor will be considered an advertising or promotional expense and not the payment of interest if the premium is given only at the time of opening an account or an addition to an existing account, no more than two premiums per account are given within 12 months, and the value or total cost does not exceed \$10 for deposits of less than \$5,000 or does not exceed \$20 for deposits of \$5,000 or more.

Section 4 provides for repealers.

Section 5 provides for the emergency clause.

Explanation of amendments, if any:

The committee amendments (AM146) would further amend provisions which would allow investments by a bank in bank premises in, among other things, residential property for use of officers or employees who are located in “remote areas” where suitable housing at a reasonable price is not readily available by striking “remote”.

The committee amendments also would strike section 3 from the bill. Section 3 proposes amendments to section 8-1,123 regarding account bonuses and premiums. The committee amendments would insert a new section which would outright repeal section 8-1,123. With Nebraska statutory provisions regarding account bonuses and premiums thus repealed, federal law on this subject would become applicable to state-chartered banks by way of the wild-card statute for state-chartered banks.

Senator Rich Pahls, Chairperson